

AMENDMENT TO H.R. _____

OFFERED BY MR. UPTON OF MICHIGAN

**[Page and line numbers refer to the document posted as the
HEALTHY KIDS Act, dated October 2, 2017]**

At the appropriate place in the bill, insert the following new section:

1 **SEC. _____. PERMITTING PAYMENTS TO LENDERS UNDER**
2 **CERTAIN CREDIT ARRANGEMENTS WITH A**
3 **MEDICAID MANAGED CARE ORGANIZATION.**

4 (a) IN GENERAL.—Section 1902(a)(32) of the Social
5 Security Act (42 U.S.C. 1396a(a)(32)) is amended—

6 (1) in subparagraph (C), by striking “and” at
7 the end;

8 (2) in subparagraph (D), by adding “and” at
9 the end; and

10 (3) by adding at the end the following new sub-
11 paragraph:

12 “(E) in the case of a State that is past due
13 at least 60 days on any portion of a capitation
14 payment to a medicaid managed care organiza-
15 tion (as defined in section 1903(m)(1)(A)), pay-
16 ment of such capitation payment may be made
17 to a lender under a bona fide secured credit ar-

1 rangement (as defined by the Secretary) with
2 such organization;”.

3 (b) EFFECTIVE DATE.—Subparagraph (E) of section
4 1902(a)(32) of the Social Security Act (42 U.S.C.
5 1396a(a)(32)), as added by subsection (a)(3), shall apply
6 with respect to credit arrangements entered into on or
7 after the date of the enactment of this Act with respect
8 to capitation payments due before, on, or after such date.
9 Not later than 90 days after such date, the Secretary of
10 Health and Human Services shall prescribe a proposed
11 rule, which shall be effective upon publication on an in-
12 terim basis, to implement such subparagraph.

